



## State Innovation Model (SIM)

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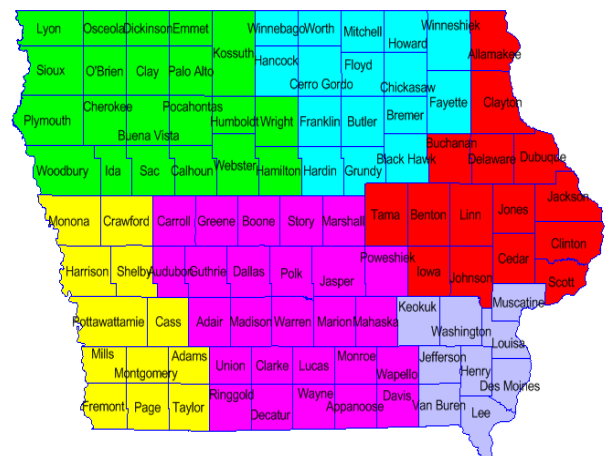
*This project is funded by the Innovation Center of the Federal Centers for Medicare and Medicaid Services. The goal of this initiative is to test whether new payment and service delivery models will produce superior results when implemented in the context of a state-sponsored State Health Care Innovation Plan (SHIP). These Plans must improve health, improve health care, and lower costs for citizens through a sustainable model of multi-payer payment and delivery reform, and must be dedicated to delivering the right care at the right time in the right setting.*

### Proposed State Innovation Model

- Strategy 1: Implement multi-payer Accountable Care Organization (ACO) methodology across Iowa's primary health care payers
- Strategy 2: Expand multi-payer ACO methodology to address integration of long term care services and supports and behavioral health services
- Strategy 3: Incorporate population health, health promotion, member incentives

#### **Accountable Care Organization (ACO) Approach**

- The IME will use a competitive procurement process to award ACOs based on geographic regions. Data analysis of existing referral patterns identified 6 naturally-occurring regions.
- The regional approach will ensure: sufficient volume and scale for an ACO to effectively provide population management and accept risk; accountability state-wide for both rural and urban areas; and that each ACO will capitalize on the strengths of community each community.
- The State will be open to contracting with any organizational/business structure including managed care organizations and collaborations between provider groups or safety net providers.
- The State will require that ACOs develop strong relationships and collaborate with quality partners in their region to enhance care coordination, reduce costs, ensure access and change the overall health care system to one focused on outcomes. Through these partnerships, the ACO will build upon local and community agencies' strengths and expertise

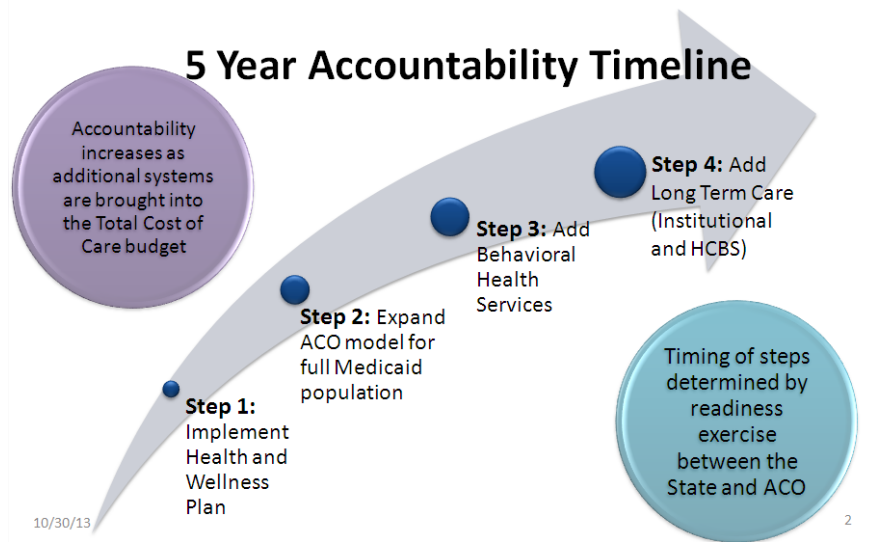


### Ensuring alignment with other payers

- The State will use the Value Index Scores (VIS), currently used by Wellmark and proposed in the Wellness Plan, as a standard measure of quality across all payers. The State should explore requiring these same measures be used for all other markets and payers because consistent measures will ensure practice change, as driven by performance, occurs across payers.
- In phases, the State should augment this core set of measures for physical health with additional measures for behavioral health and long-term care supports and services as well as child preventive service delivery and social determinants of health.
- Longer-term goal is to also include other payers, i.e. CHIP and Marketplace Choice plans.

### Implementation in Phases

- The State should phase-in Long Term Care Services and Supports and Behavioral Health services into the ACO responsibilities. Once phased in the State will incorporate metrics that both evaluate and reward ACOs for integrated care delivery.
- Care Coordination will address the recovery needs of the whole person and foster use of intensive community support services, evidence based practices, and peer supports.
- The Behavioral Health approach will build on Integrated Health Homes and the efforts of the Mental Health and Disability Redesign.
- For Long Term Care Services and Supports the State will incorporate metrics that evaluate and reward the use of Home and Community Based Services (HCBS) and incentivize the transition from serving individuals in institutions to serving them in home and community based settings.



### Accountability & Transparency

- The State will develop a solution to share data with ACOs in a timely and transparent manner across all payers. Transparency is necessary to improve the quality of healthcare and reduce costs.
- The State will hold the ACOs accountable for the total cost of care as the cornerstone to a shared savings methodology. Methodologies will be risk adjusted and transparent with sufficient analytics and reporting.
- Reimbursement will evolve such that the ACOs have more risk and greater accountability for total cost of care over time (by adding in LTCSS and BH services). There will be triggers and target dates for adjustments. Within five years the ACOs will bear full-risk.

### Member engagement and encouraging healthy behaviors

- The State will monitor the effectiveness of the Iowa Health and Wellness Plan and incorporate any best practices or strategies.
- The State will align the incentives and the metrics for ACOs with incentives for members who actively participate in becoming, and staying, healthy.
- The ACO will be held accountable for innovative, in-depth member education and outreach to ensure members have the tools and information to be better consumers.

### Provider Support, Workforce, and Support for Innovation

- The state will provide technical assistance and support for system transformation.
- ACOs will provide technical assistance, training, and support to staff and providers to ensure they can operate effectively in the new, value-based delivery system.
- The State will support and build on the multiple initiatives already underway to address workforce challenges. The ACOs will use a variety of health partners to help with any workforce challenges.
- The State will consider a financing mechanism to support longer-term investments in improved healthcare delivery by, for example, ensuring the health and proper development of children.

### Stakeholder Engagement Process

3 Learning Sessions	4 Workgroups (each met 4 times) Sessions	Listening Sessions (SIM and IHAWP)
SIM overview	Metrics & Contracting	August 16: Newton
Long Term Care Supports and Services (LTCSS) Overview	Member Engagement	August 27: Council Bluffs
Wellmark ACO	Behavioral Health(BH) Integration	September 17: Fort Dodge
	LTCSS Integration	September 20: Waterloo
		September 27: Cedar Rapids
		September 27: Cedar Rapids

IME also held two consumer-focused meetings in late October and presented at multiple industry and association meetings upon request. Background reading, additional resources, agendas and workgroup minutes were posted to the SIM website: [www.ime.state.ia.us/state-innovation-models.html](http://www.ime.state.ia.us/state-innovation-models.html)

### Next Steps (CY 2014)

1. Submit State Healthcare Innovation Plan
2. Submit Model Testing Grant Proposal
3. Assess legislative and rule change needs
4. Prepare Request for Information and Request for Proposals

2013 Design:

State Health Care Innovation Plan

2014 Testing:

Application for funds / authority to test

2016? Implementation